

## Money Habits

### Get a Grip on Your Finances

**Does it sometimes seem like money is disappearing into a black hole?** Often by month's end we can't say exactly how we've spent our money over the last 30 days. We just know that there probably isn't as much in our accounts as we would like. Where does it all go?

Getting a firmer grasp on your finances can help reduce your stress. A good place to start is to think about your family's short- and long-term financial goals. What would you like to be able to do with your money this year? Next year? Within the next five years?

Then, looking closely at where you're spending your money now, you can develop a plan to spend smarter and save more. Soon, instead of that gnawing feeling that you might be short on funds this month, you'll feel more confident.

In this *Your Source* issue, we highlight healthy money habits. We'll examine the benefits of:

- Establishing a family budget, tracking your spending, and living within your means.
- Teaching your children—at any age—the value of having good financial sense.
- Taking small steps that can result in very large savings for you over the course of a year.

**Go online today!** Log on to access *Money Habits* under the Library/In the Spotlight section. There you'll find ideas on how you can guide your family to a healthier financial future.

### Basics of Budgeting

Putting a budget in place can help you better control your spending and achieve greater financial freedom. Here are some basic tips.

- Total your average monthly income. This can include regular wages, plus any side income, interest, child support, etc. If you share finances with a partner, include that person's income.
- Begin to track all your expenses over the month. Add up the predictable bills such as rent or mortgage, utilities, credit card and car payments, and insurance. Also record variable expenses like food, clothing, grooming, gas and pet care. Make sure you capture *every* expense.
- If you find tracking difficult, use budgeting software or a budgeting app on your phone or tablet.
- Compare what's coming in to what's going out. The totaled results can be surprising.
- If you're short on income, you can try to either increase your income or reduce your expenses. Reducing expenses is often easier. (*See the page 2 article.*)
- Track your results over time. Continue to trim expenses, and direct more money into savings and investments. Start to put aside some extra for unexpected household expenses.

# Compulsive Buying Disorder

Many people purchase something as a “treat” but when an impulse purchase becomes a compulsive purchase, there could be a problem. Compulsive buying disorder (CBD) is similar to an addiction-like disorder that includes obsessive shopping and buying. This may result in causing financial burden or stress to someone and/or their family.

Compulsive buying disorder is similar to alcoholism or an eating disorder. This type of addiction is driven by the need to be in control when things seem to be out of control. Usually purchasing or shopping for material items isn't the primary issue, as impulsive disorders typically occur in conjunction with depression, anxiety or other mood disorders.

Compulsive buying disorder can be linked to different things. Some may have grown up with parents who bought everything the expectation continues as an adult. Others may deal with emotional stress through compulsive shopping and avoid facing the actual problem. Compulsive buying disorder can cause feelings of guilt and can strain a relationship. There are small things that can be done to cope with compulsive buying disorder. Some of the ways to cope include:

- **Figure out why you spend** – there is usually an underlying issue as to why someone is a shopaholic. Find out what is making you unhappy and replace it with activities, hobbies or other things for yourself instead of shopping.
- **Make improvements for you** – Once it is determined why you shop, now it's time to change up your habits. If something makes you upset and you feel the urge to shop, try something else. Go for a walk or read a book.
- **Recognize and avoid triggers** – Begin to recognize what the triggers are for you and avoid them. Stay away from sales and deals as these are usually a way to get you into the store to buy things.
- **Make a commitment to change** – create small goals and stick with them. Write down small goals and note when you have achieved it. Continue to challenge yourself with small improvements.

## *Now That's An Idea!*

### Teaching Kids About Money

**Start early.** Introducing your children to the responsible use of money can start as early as preschool. A very young child can learn to put coins in a piggy bank.

**An allowance can be a teaching tool.** When your kids are a bit older, set up a small regular payment when they help with chores. They'll begin to associate money with effort.

**Teach about needs versus wants.** Through your example, show how money should be used for items that are truly needed, not for costly frills.

**Share some smart shopping.** Show them the value of comparison shopping, using coupons, and avoiding name brands.

**Reward them for saving.** If they've reached a money-saving goal within a certain timeframe, recognize their achievement. Consider matching their savings amount.

**Help older kids be money savvy.** Give them extra money-making ideas such as helping neighbors with chores. Teach high school kids about credit, debt and banking.